

Education and Workforce Development Cabinet

Kentucky's jobless rate decreases to 10 percent in October

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Contact Information: Kim Saylor Brannock
(502) 564-1207
KimS.Brannock@ky.gov

Editor's Note: Preliminary October and revised September labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate fell to 10 percent in October 2010 from a revised 10.1 percent in September 2010, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The October 2010 jobless rate is .7 percentage points lower than the 10.7 percent rate recorded in October 2009 for the state. The 10 percent rate recorded in October 2010 matches the unemployment rate in August 2010 and is the lowest since that month.

"In October 2010, Kentucky's economy showed signs of improvement. Nonfarm employment grew for the second month in a row, and the unemployment rate dropped to 10 percent. Six consecutive months of year-over-year job growth provides additional evidence of revitalization in the economy," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate stayed at 9.6 percent from September 2010 to October 2010, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Seven of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in October 2010, while three decreased and one stayed the same, according to OET. An increase of 7,300 jobs in October 2010 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,778,600. Likewise, Kentucky's nonfarm employment has grown by 14,400 workers since October 2009.

According to the seasonally adjusted employment data, Kentucky's leisure and hospitality sector expanded by 3,400 jobs in October 2010. Since October 2009, the sector has climbed by 3,000 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

"The employment gains in October 2010 were concentrated in accommodations and food services enterprises, which is indicative of the openings of numerous restaurants. As the economy stabilizes, consumers are loosening their purse strings and opening their wallets to splurge more on restaurant meals and leisure activities," said Detzel.

The professional and business services sector jumped by 2,900 positions in October 2010. This area includes professional, scientific and technical services; management of companies; and administrative support and waste management, including temporary help agencies. Since last October, jobs in the sector have surged by 8,600.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses; personal and laundry services; religious organizations and civic and professional organizations, climbed by 2,200 positions in October 2010. This sector had 2,200 more positions in October 2010 as compared to October 2009.

Kentucky's manufacturing sector added 900 jobs in October 2010. Since October 2009, employment in the manufacturing sector has expanded by 6,900 positions.

The educational and health services sector reported 800 more workers in October 2010 than in September 2010. The sector has gained 2,000 workers since October 2009. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

The financial activities sector added 200 jobs in October 2010. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has lost 2,100 positions since October 2009.

Construction sector jobs rose by 100 in October 2010. Since October 2009, employment in the construction sector has plunged by 7,100 jobs.

The information sector reported the same number of positions in September 2010 and October 2010. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 600 positions since October 2009.

The trade, transportation and utilities sector dropped by 2,900 jobs in October 2010. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 365,700 employees. Since October 2009, the number of jobs in this sector has jumped by 5,300.

"Employment losses in October 2010 in this sector occurred predominantly at retail trade enterprises, which is a sign of contractions at various retail trade establishments and the closings of other retailers," said Detzel.

The government sector, which includes public education, public administration agencies and state-owned hospitals, lost 200 jobs in October 2010. The sector has 4,200 fewer jobs than in October 2009.

Employment in the mining and logging sector decreased by 100 workers in October 2010. The sector has gained 400 workers since October 2009.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for October 2010 was 1,874,754 on a seasonally adjusted basis. This figure is up 6,944 from the 1,867,810 employed in September 2010, and up 23,241 from the 1,851,513 employed in October 2009.

The monthly estimate of the number of unemployed Kentuckians for October 2010 was 208,658, down 1,012 from the 209,670 Kentuckians unemployed in September 2010, and down 14,020 from the 222,678 unemployed in October 2009.

The monthly estimate of the number of Kentuckians in the civilian labor force for October 2010 was 2,083,412. This figure is up 5,932 from the 2,077,480 recorded in September 2010, and up 9,221 from the 2,074,191 recorded in October 2009.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.